



1st SEM. 2015/2016

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UNIVERSITY OF SWAZILAND

FINAL EXAMINATION PAPER

PROGRAMME: BSc. in Agricultural & Biosystems Engineering Year 2
BSc. in Agric. Economics and Agribusiness Management Year 2
BSc. In Agri. Education and Extension Year 2
BSc. in Agronomy Year 2
BSc. in Animal Science Year 2
BSc. in Animal Science (Dairy) Year 2
BSc. in Consumer Science Year 2
BSc. In Consumer Science Education Year 2
BSc. in Food Science, Nutrition & Technology Year 2
BSc. in Horticulture Year 2
BSc. in Textile & Apparel Design & Management Year 2

COURSE CODE: AEM 203

TITLE OF PAPER: ENTREPRENEURSHIP

TIME ALLOWED: TWO (2) HOURS

INSTRUCTION: 1. ANSWER ALL QUESTIONS
2. EACH QUESTION CARRIES TWENTY FIVE (25) MARKS

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CHIEF INVIGILATOR**

Question 1

- a. Discuss clearly the relationship between entrepreneurship and economic growth of a country. (12 marks)
- b. Sonto is considering selling braai meat with pap during the varsity games which will be held in soon. Suppose Jane has developed the following estimates. There are 2500 students and the average annual income per student is E4200. On average the students spend 7% of their income on braai meat with pap. Sonto is convinced that she will attract 4% market share, as there are other students and other competitors in the same business. Using this information, determine the following.
- What is the total income of the students? (3 marks)
 - What is the potential value of the market? (5 marks)
 - What is the value of the market share? (5 marks)

Question 2

- a. Brookestone Feed and Grain Company has the following records in the financial books as at 30 June 2014. Tax E500, Equipment E20,000, E5,000 due to suppliers, bank statement indicates E51,000, wages E1,500, warehouse valued at E50,000, stock valued at E21,000, credit sales E14,000 by customers, loan paid in 2 years is 50,000. Brookestone has 5 shareholders and each contributed E25,600. Prepare a balance sheet for the company. (25 marks)

Question 3

- a. The development and evaluation of a business idea is important in the study of entrepreneurship and it involves two linked studies. Discuss each study clearly and indicate the different aspects that need to be determined when conducting such studies. (15 marks)

- b. What is an "executive summary?" Why is the executive summary often called the most important part of a business plan? (10 marks)

Question 4

- a. What customer oriented method for setting price is used in the following situations? (15 marks)

- i. You price a product that the customers know little about. _____
- ii. V-neck cotton t-shirt is E149 _____
- iii. At the introduction stage of the product life cycle _____
- iv. A muffin that goes with tea or coffee _____
- v. Price for 500g of cornflakes at pick n pay is E5 and milk is E20 per litre _____

- b. Fill in the blanks (10 marks)

- i. The two (2) sources of finance are _____
- ii. _____ products are bought by a business for use in producing other products or services.
- iii. _____ customers buy with the least effort, and are bought most frequently.
- iv. One of the disadvantages of forming this form of business is double taxation _____
- v. _____ is an arrangement whereby one business grants an independent party the right to sell the business products and services according to guideline set down by the franchisor.